

# Cole Schotz P.C.

Michael D. Sirota  
Member  
Admitted in NJ and NY

Reply to New Jersey Office  
Writer's Direct Line: 201-525-6262  
Writer's Direct Fax: 201-678-6262  
Writer's E-Mail: [msirota@coleschotz.com](mailto:msirota@coleschotz.com)

Court Plaza North  
25 Main Street  
P.O. Box 800  
Hackensack, NJ 07602-0800  
201-489-3000 201-489-1536 fax

—  
New York

—  
Delaware

—  
Maryland

—  
Texas

November 9, 2015

## Via ECF and E-mail ([vfp@njb.uscourts.gov](mailto:vfp@njb.uscourts.gov))

Honorable Vincent P. Papalia  
United States Bankruptcy Court for the District  
of New Jersey  
50 Walnut Street, 3rd Floor  
Newark, NJ 07102

Re: In re Saint Michael's Medical Center, Inc., *et al.*  
Case No. 15-24999 (VFP)  
**Determination of Highest or Otherwise Best Bid**

Dear Judge Papalia:

This firm is counsel to Saint Michael's Medical Center, Inc., *et al.*, the within Chapter 11 debtors and debtors-in-possession (the “**Debtors**”), in the above-referenced matter.

On August 10, 2015, the Debtors filed a *Motion for an Order Pursuant to 11 U.S.C. §§ 363 and 365 and Fed. R. Bankr. P. 2002, 6004 and 6006*; (1) *Approving “Stalking Horse” Asset Purchase Agreement for the Sale of Substantially all the Debtors’ Assets*; (2) *Approving Bidding Procedures and Form, Manner and Sufficiency of Notice*; (3) *Scheduling (A) an Auction Sale and (B) a Hearing to Consider Approving the Highest and Best Offer*; (4) *Authorizing the Debtors to Sell Substantially all their Assets Free and Clear of Liens, Claims, Encumbrances, and Interests*; (5) *Authorizing the Debtors to Assume and Assign Certain Executory Contracts and Unexpired Leases*; and (6) *Granting Other Related Relief* [Docket No. 17] (the “**Sale Motion**”). In connection with the Sale Motion, the Debtors sought entry of bidding procedures (i) for submitting bids to purchase the hospital’s assets, (ii) approving procedures for the potential assumption and rejection of certain executory contracts and unexpired leases, and (iii) scheduling a date and time for a hearing to consider approval of the Sale Motion.

On August 25, 2015, the Court entered an *Order Pursuant to 11 U.S.C. §§ 363 and 365 and Fed. R. Bankr. P. 2002, 6004 and 6006*: (1) *Approving “Stalking Horse” Asset Purchase Agreement for the sale of Substantially all the Debtors’ Assets*; (2) *Approving Bidding Procedures and Form, Manner and Sufficiency of Notice*; (3) *Scheduling (A) an Auction Sale and (B) a hearing to Consider Approving the Highest and Best Offer*; (4) *Authorizing the Debtors to Sell substantially all their Assets Free and Clear of Liens, Claims, Encumbrances, and Interests*; (5) *Authorizing the Debtors to Assume and Assign Certain Executory Contracts and Unexpired Leases*; and (6)

Cole Schotz P.C.

Honorable Vincent P. Papalia  
November 9, 2015  
Page 2

*Granting Other Related Relief* [Docket No. 121] (the “**Bidding Procedures Order**”). The Bidding Procedures Order provides, *inter alia*, a bid deadline of November 3, 2015, an auction on November 5, 2015, and a sale hearing on November 12, 2015.

On November 5, 2015, the Debtors conducted an open auction process for the sale of all or substantially all their assets. The Debtors, in the exercise of their business judgment, and with the endorsement of the Official Committee of Unsecured Creditors (the “**Committee**”), have determined that Prime Healthcare Services – Saint Michael’s, LLC is the Successful Bidder (as defined in the Bidding Procedures Order). The Debtors, in the exercise of their business judgment, and with the endorsement of the Committee, have determined that Prospect Saint Michael’s, Inc. is the Back-up Bidder (as defined in the Bidding Procedures Order).

Respectfully submitted,

*/s/ Michael D. Sirota*

Michael D. Sirota

MDS:cdc